



Military & Veteran Affairs Committee

**Wednesday, January 25, 2006
1:30 PM – 2:30 PM
24 HOB**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Speaker Allan G. Bense

Military & Veteran Affairs Committee

Start Date and Time: Wednesday, January 25, 2006 01:30 pm

End Date and Time: Wednesday, January 25, 2006 02:30 pm

Location: 24 HOB

Duration: 1.00 hrs

Consideration of the following bill(s):

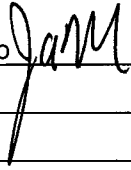

HB 373 Tuition Waivers by Harrell

HB 461 Motor Vehicle License Plates by Jordan

NOTICE FINALIZED on 01/13/2006 12:46 by Welcher.Stephanie

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 373 Tuition Waivers
SPONSOR(S): Harrell and others
TIED BILLS: None **IDEN./SIM. BILLS:** SB 122

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Military & Veteran Affairs Committee</u>	_____	Marino 	Cutchins 
2) <u>Community Colleges & Workforce Committee</u>	_____	_____	_____
3) <u>Education Appropriations Committee</u>	_____	_____	_____
4) <u>State Administration Council</u>	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

House Bill 373 adds a new tuition fee waiver to a list of fee waivers in s. 1009.26, F.S. This new tuition fee waiver is for Purple Heart recipients who have been admitted to a Florida community college or state university and who are Florida residents at the present time and at the time they received the award. The tuition waiver can only be used by degree or certificate seeking undergraduate students, and who may be either full or part-time students or enrolled in summer school.

The Purple Heart is awarded to any member of the Armed Forces or any civilian national under the United States who has been wounded in combat. The U.S military recognizes order of precedence of awards and the Purple Heart is listed in the 16th position. The Purple Heart is unique in that an individual is not recommended for, but rather is entitled to this decoration when wounded in combat. The Florida Department of Veterans Affairs claims 2,482 Purple Heart recipients currently reside in Florida.

There appears to be no fiscal impact on 2006-2007 since this benefit begins in the 2007-2008 academic year. However, the fiscal impact in 2007-2008 could be up to approximately \$5,329,102.

The bill would take effect July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes – This bill would waive undergraduate tuition fees for Purple Heart recipients in Florida.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

Section 1009.26

Section 1009.26, F.S., lists fee waivers for postsecondary educational institutions. School districts, community colleges, university boards of trustees, the State Board of Education, and state universities may waive certain fees, such as tuition or application fees, charged to students and, in some cases, only on a space-available basis.

Those eligible for certain fee waivers under this section can include: persons who supervise student interns for a state university; full-time university employees; Florida residents 60 years of age or older; graduate students enrolled in certain state-approved school psychology training programs; certain out-of-state nondegree-seeking students; certain spouses of deceased state employees; and some active members of the Florida National Guard (FNG). Section 1009.26(8), F.S., specifically mentions the fee waiver for certain members of the FNG and references s. 250.10(8), F.S., which establishes the State Tuition Exemption Program (STEP) program. The Florida Department of Education reports that 82¹ community college students used the National Guard Fee Waiver in 2004-2005.

Purple Heart

The Purple Heart was established by General George Washington during the Revolutionary War. The Purple Heart is awarded to any member of the Armed Forces or any civilian national of the United States who has been wounded in combat. A wound can be an injury to any part of the body from an outside force or agent. Injuries which clearly justify receiving the Purple heart include, but are not limited to, injury caused by mine or trap, or enemy released chemical, biological, or nuclear agent. A person will not be eligible for the Purple Heart for certain wounds or injuries such as battle fatigue, heat stroke, or disease not directly caused by enemy agents. The Purple Heart is unique among other military awards, in that an individual is not recommended for, but rather is entitled to the decoration.

The U.S. military recognizes order of precedence of awards. Each award carries a level of significance and its own eligibility requirements. The Purple Heart is 16th in order of precedence according to Army Regulation 670-1, updated February 2005. The awards in precedence from Medal of Honor to the Purple Heart are:

- (1) Medal of Honor (Army, Navy, Air Force);
- (2) Distinguished Service Cross;
- (3) Navy Cross;
- (4) Air Force Cross;
- (5) Defense Distinguished Service Medal;
- (6) Distinguished Service Medal (Army, Navy, Air Force, Coast Guard);
- (7) Silver Star;
- (8) Defense Superior Service Medal;

¹ Email from Sra Hamon. Florida Department of Education. January 13, 2006.

- (9) Legion of Merit;
- (10) Distinguished Flying Cross;
- (11) Soldier's Medal;
- (12) Navy and Marine Corps Medal;
- (13) Airman's Medal;
- (14) Coast Guard Medal;
- (15) Bronze Star Medal; and
- (16) Purple Heart.

The Florida Department of Education (FDOE) reports that the Florida Department of Veterans Affairs (FDVA) provided them with the number of Purple Heart recipients currently residing in Florida to be approximately 2,482². It is unknown, however, how many recipients resided in Florida at the time they were awarded the medal.

Effect of Proposed Changes:

This bill adds a new tuition fee waiver under s. 1009.26, F.S. This new fee waiver is authorized for a full-time, part-time, or summer school degree or certificate seeking undergraduate student, who is a Purple Heart recipient, starting in the 2007-2008 school year. The student must currently be a resident of the state of Florida and must have been a Florida resident at the time the Purple Heart was awarded. Proper documentation must be submitted to the community college or university in order to receive the tuition waiver.

The bill will take effect July 1, 2006, although, the fee waiver would not be available to Purple Heart recipients until the 2007-2008 academic year.

C. SECTION DIRECTORY:

Section 1: Creates 1009.26(9), F.S., establishing a Purple Heart recipient undergraduate tuition waiver for state universities or community colleges beginning in the 2007-2008 academic year under certain circumstances.

Section 2: Provides for act to take effect July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

There appears to be no fiscal impact on 2006-2007 since this benefit begins in the 2007-2008 academic year.

The impact on state revenue in 2007-2008 is indeterminate since it is unknown how many Purple Heart recipients resided in Florida at the time they received the award. It is also unknown how many will use the benefit in this bill.

However, if all 2,482 Purple Heart recipients in Florida used this benefit as full-time students with 30 credit hours in a state university in 2007-2008 it would cost approximately \$5,329,102.

2. Expenditures:

There are no known or expected fiscal impacts on state expenditures.

² Eckard, Maria. Florida Department of Education. HB 0373 – Tuition Waivers-Purple Heart – Fiscal Only 01 05 06. January 12, 2006. On file with Committee on Military & Veteran Affairs.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

There are no known or expected fiscal impacts on local government revenues.

2. Expenditures:

There are no known or expected fiscal impacts on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The chart shows the average savings per semester for a full-time, part-time, and summer student under this bill based on average credit hours³.

	Community College	State University
Full-time (12.48 avg. Credit Hours)	\$595.55	\$893.19
Part-time (6.02 avg. Credit Hours)	\$287.27	\$430.85
Summer (5.9 avg. Credit Hours)	\$281.55	\$422.26

D. FISCAL COMMENTS:

According to the 2005-2006 General Appropriations Act, the costs per credit hour for community colleges and state universities for the 2005-2006 fall/spring terms are \$47.72 and \$71.57 respectively.

The calculations in this analysis are based on the 2005-2006 GAA figures; however, the waiver created in this bill would not go into effect until the 2007-2008 academic year.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

There do not appear to be any constitutional issues with this bill.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

³ Email from Sara Hamon, Florida Department of Education. January 12, 2006.

HB 373

2006

1 A bill to be entitled
2 An act relating to tuition waivers; amending s. 1009.26,
3 F.S.; requiring community colleges and state universities
4 to waive tuition for a recipient of a Purple Heart who
5 fulfills specified criteria; providing an effective date.

6
7 Be It Enacted by the Legislature of the State of Florida:

8
9 Section 1. Subsection (9) is added to section 1009.26,
10 Florida Statutes, to read:

11 1009.26 Fee waivers.--

12 (9) Beginning in the 2007-2008 academic year, a state
13 university or community college shall waive undergraduate
14 tuition for each recipient of a Purple Heart who:

15 (a) Is admitted as a full-time, part-time, or summer-
16 school student in an undergraduate program of study leading to a
17 degree or certificate;

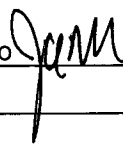

18 (b) Is currently, and was at the time of the military
19 action that resulted in the awarding of the Purple Heart, a
20 resident of this state; and

21 (c) Submits to the community college or university
22 documentation verifying that the student has received a Purple
23 Heart.

24 Section 2. This act shall take effect July 1, 2006.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 461 Motor Vehicle License Plates
SPONSOR(S): Jordan
TIED BILLS: None **IDEN./SIM. BILLS:** None

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Military & Veteran Affairs Committee</u>	_____	Marino 	Cutchins 
2) <u>Transportation Committee</u>	_____	_____	_____
3) <u>Transportation & Economic Development Appropriations Committee</u>	_____	_____	_____
4) <u>State Administration Council</u>	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

House Bill 461 removes the July 1, 2006 expiration date currently set by statute for the Florida National Guard free motor vehicle license plate program. This would allow approximately 11,810 Florida National Guard members to continue to be eligible for this benefit.

In 2006-2007, this bill would have an estimated \$561,802 impact on state revenues and an estimated \$35,430 impact on local tax collectors for a total of \$597,232.

This bill does not appear to impact license tag sale funds distributed to the Grants and Donations Trust Fund, managed by the Florida Department of Veterans Affairs.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes: This bill would remove the license taxes and fees for one standard license plate for each active member of the Florida National Guard.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

The 2005-2006 General Appropriations Implementing Act created s. 320.0846, F.S., which allows any owner or lessee of a motor vehicle, who resides in Florida and is an active member of the Florida National Guard (FNG), to be issued one standard license plate without charge. The 2005-2006 General Appropriations Act (GAA) appropriated \$10,632,936 to the Highway Safety Operating Trust Fund for the Florida Department of Highway Safety and Motor Vehicle's (DHSMV) purchase of license plates. The department indicates that the FNG fee waiver program was covered by this appropriation in FY 2005-2006. Section 320.0846, F.S., is set to expire on July 1, 2006.

Under this section, FNG members may only receive one plate without charge, and any additional plates must be paid for in full. Also, this section does not waive any additional applicable fees required to purchase a specialty plate. The FNG member must provide proof of eligibility upon application for the free license plate.

In addition to this free plate program, under ss. 320.084 and 320.0842, F.S., certain low-income permanently and totally disabled veterans and wheelchair bound veterans are provided free license plates by the state. These sections and their subsequent free plate programs have no expiration.

Section 320.089, F.S., allows certain militarily affiliated persons, including members of the Florida National Guard, to stamp special plates with words such as "National Guard," "Pearl Harbor Survivor," "Combat-wounded veteran," or "U.S. Reserve," as appropriate, in order to indicate their affiliation upon payment of the license tax. The first \$100,000 in proceeds from these plates goes into the Grants and Donations Trust Fund, managed by the Florida Department of Veterans Affairs (FDVA), for the purpose of providing common benefits to the residents of the state run veterans' nursing homes, such as recreational equipment, improved facilities, and recreational supplies.

The DHSMV reports that 46,977¹ plates are stamped under s. 320.089, F.S., and of those, 1,884 license plates are stamped with "National Guard."

Other states allow for similar free license plates for certain veterans, such as Ex-POWs, Pearl Harbor survivors, etc. However, Florida appears to be the only state to offer free license plates to active National Guard members².

The Department of Military Affairs (DMA) reports there are presently 11,810³ active FNG members.

Effect of Proposed Changes:

¹ Email from Steven Fielder. Department of Highway Safety and Motor Vehicles. January 13, 2006.

² Florida House of Representatives Committee on Military & Veteran Affairs. *Veterans Benefits by State DRAFT*. January 2005.

³ Conversation with Glenn Sutphin, Legislative Director Florida Department of Military Affairs. January 12, 2006.

This bill removes the expiration date in s. 320.0846, F.S. This would allow the FNG free motor vehicle license plate program to continue beyond July 1, 2006. This bill does not remove the yearly requirement for FNG motor vehicle owners or lessees to keep their vehicle registrations up-to-date.

The Grants and Donations Trust Fund under the FDVA does not appear to be impacted, since the other plates offered under s. 320.089, F.S., would offset the proceeds from the loss of revenue from the "National Guard" stamped plates.

Proviso language in line 2575 of the 2005-2006 GAA provided funding for the one-year FNG free license plate program. The department has indicated that its FY 2006-2007 budget request will be for the same amount appropriated in FY 2005-2006.

This bill would take effect upon becoming law.

C. SECTION DIRECTORY:

Section 1: Amends s. 320.0846, F.S., by removing the section expiration date of July 1, 2006.

Section 2: Provides for act to take effect upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Department of Highway Safety and Motor Vehicles (DHSMV) conducted a 2005-2006 fiscal impact study⁴ of this program in 2005 and estimated a recurring cost of \$632,154 based on 12,500 FNG members using this benefit during 2005-2006.

Using calculations based on the fees in the 2005 DHSMV fiscal study and the current 11,810 FNG membership strength, this bill would have an estimated revenue impact to the state for a loss of **\$561,802 for 2006-2007.**

	STATUE REF.	FEE	REVENUE LOSS	Fee Distribution - Trust Fund
AVERAGE LICENSE TAX FEE:	320.08	\$36.97	\$462,154	State Transportation TF
TRUST FUND FEES:				
Air Pollution Control Fee	320.03(6)	\$1.00	\$12,500	Air Pollution Control Trust Fund
FRVIS FEE	320.03(5)	\$0.50	\$6,250	Highway Safety Operating TF
Law Enf. Radio Sys Fee	320.0802	\$1.00	\$12,500	Law Enforcement Radio System TF
Surcharge St. Trans. Fee	320.0804	\$2.00	\$25,000	State Transportation TF
Trans. Disadvantage Fee	320.03(9)	\$1.50	\$18,750	Transportation Disadvantage TF
Advanced Replacement Fee	320.06(b)	\$2.00	\$25,000	Highway Safety Operating TF
EMS Fee	320.0801	\$0.10	\$1,250	Emergency Medical Service Trust Fund
Juvenile Justice Fee	320.08046	\$1.00	\$12,500	58% General Revenue – 42% Grants & Donation TF – Dept. Juvenile Justice
Retroreflectorization Fee	320.06(3)(b)	\$0.50	\$6,250	Highway Safety Operating TF
Service Fee	320.04	\$4.00	\$12,500	\$1 Hwy Safety Oper. TF (\$3 goes to tax collectors)
		<u>\$13.60</u>	<u>\$170,000</u>	

⁴ Florida Department of Highway Safety and Motor Vehicles. Exempting Registration and Applicable Fees for Florida National Guard Fiscal Impact Study. On file with Committee on Military & Veteran Affairs.

Total loss For 11,810 FNG
to state: \$561,802 members

The Grants and Donations Trust Fund under the FDVA does not appear to be impacted. There would be no loss of revenue for the Trust Fund from the 1,884 "National Guard" plates, under s. 320.089, F.S., since the other stamped plates offered under s. 320.089, F.S., would make up the difference to cover the first \$100,000 in proceeds that are to go to the Trust Fund.

2. Expenditures:

There are no known or expected fiscal impacts on state government expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Since \$3 of each license plate sold goes toward a service fee for tax collectors at the local level, they would lose an estimated \$35,430 collectively.

2. Expenditures:

There are no known or expected fiscal impacts on state government revenues.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

FNG members who use this benefit would typically each save \$50.57⁵, the estimated average registration fee calculated by the FDHSMV. FNG members would still be required to pay applicable fees for additional standard plates and specialty or personalized license plates.

D. FISCAL COMMENTS:

This DHSMV 2005-2006 fiscal impact study⁶ is based on exempting 12,500 FNG registrants annually from paying the annual license tax and applicable required Trust Fund fees. This study uses \$50.57 as the average registration fee. Of the \$50.57, \$13.60 is distributed to various trust funds as fees.

For this analysis, the committee staff used the current FNG strength of 11,810 to calculate the 2006-2007 fiscal impact.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

There do not appear to be any constitutional issues with this bill.

B. RULE-MAKING AUTHORITY:

None.

⁵ Florida Department of Highway Safety and Motor Vehicles. Exempting Registration and Applicable Fees for Florida National Guard Fiscal Impact Study. On file with Committee on Military & Veteran Affairs.

⁶ ib id.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

HB 461

2006

A bill to be entitled
An act relating to motor vehicle license plates; amending
s. 320.0846, F.S.; removing expiration of provisions for
free license plates to active members of the Florida
National Guard; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 320.0846, Florida Statutes, is amended
to read:

320.0846 Free motor vehicle license plates to active
members of the Florida National Guard.--

(1) Any owner or lessee of a motor vehicle who resides in
this state and is an active member of the Florida National Guard
may, upon application and proof of eligibility, be issued one
standard license plate without charge. Applications for any
additional license plates must be accompanied by appropriate
fees established in this chapter.

(2) Eligible applicants of the Florida National Guard may
apply for a specialty license plate as provided in s. 320.08056
upon payment of the fees required in that section. All other
fees will be waived. Applications for any additional specialty
license plates must be accompanied by all appropriate fees
established in this chapter.

~~(3) This section expires July 1, 2006.~~

Section 2. This act shall take effect upon becoming a law.